

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUALA 00378 211207Z

61

ACTION COME-00

INFO OCT-01 EA-07 ISO-00 EB-07 /015 W
----- 073506

R 210918Z JAN 76

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 2288

INFO AMEMBASSY BANGKOK

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

LIMITED OFFICIAL USE KUALA LUMPUR 0378

E.O. 11652: N/A

TAGS: BEXP, TH, ID, MY, RP

SUBJ: JAPANESE INVESTMENT SURVEY MISSION

REF: A. STATE 8963, B. JAKARTA 808

1. COMATT DISCUSSED INVESTMENT MISSION WITH SHIGERU WAKABAYASHI, JAPANESE COMMERCIAL FIRST SECRETARY IN KUALA LUMPUR, WHO ACTED AS CONTROL OFFICER FOR MISSION AND ACCOMPANIED THEM ON ALL CALLS.

CI2. WAKABAYASHI EXPRESSED SENTIMENTS SIMILAR TO THOSE REPORTED IN REF B. HE WAS GREATLY DISAPPOINTED AT WISHY-WASHY QUESTIONS MISSION MEMBERS PUT TO GOM OFFICIALS (INCLUDING HUSSEIN ONN WHO AT THAT TIME WAS DEPUTY PRIME MINISTER). MISSION'S VISIT FOLLOWED CLOSELY ON HEELS OF GOM SPONSORED FOREIGN INVESTMENT SEMINAR, SO MALAYSIAN OFFICIALS WERE WELL PREPARED TO DISCUSS INVESTMENT CLIMATE WITH JAPANESE MISSION. PROBLEM WAS, ACCORDING TO WAKABAYASHI, THAT MISSION WAS NOT PREPARED TO ASK HARD QUESTIONS. THIS DESPITE WAKABAYASHI'S EFFORTS TO THOROUGHLY BRIEF MISSION MEMBERS ON PROBLEMS FACED BY JAPANESE (AND OTHER FOREIGN) INVESTORS IN MALAYSIA -- EMPLOYMENT OF EXPATRIATE PERSONNEL, REQUIREMENTS FOR 30 PERCENT BUMIPUTRA (INDIGENOUS MALAY) EQUITY OWNERSHIP OF FOREIGN FIRMS, AND EMPLOYMENT POLICIES FOR BUMIPUTRAS.

3. WAKABAYASHI ALSO HELD PRIVATE MEETING FOR MISSION WITH
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUALA 00378 211207Z

JAPANESE BUSINESSMEN IN K.L. TO DISCUSS THESE PROBLEMS. ACCORD-

ING TO WAKABAYASHI, BUSINESSMEN WERE VOCIFEROUS IN THEIR COMPLAINTS ABOUT GOM POLICIES. ALL OF THIS WAS TO NO AVAIL. MISSION ADOPTED POSTURE SO LOW AS TO BE ALMOST INVISIBLE AND THEN ACCEPTED GOM VIEW OF INVESTMENT CLIMATE WITHOUT MURMUR OF DISAGREEMENT.

4. WAKABAYASHI DOES NOT EXPECT MISSION TO HAVE MUCH IMPACT ON JAPANESE INVESTMENT IN MALAYSIA. HE FEELS MOST POTENTIAL JAPANESE INVESTORS ARE TAKING CAUTIOUS, WAIT-AND-SEE ATTITUDE TOWARDS NEW INVESTMENT HERE. HE STATED THAT HUSSEIN ONN'S ELEVATION TO PRIME MINISTERSHIP WAS POSITIVE DEVELOPMENT BUT SAID TIME WAS STILL REQUIRED TO SEE IF HE MODERATES POLICIES WHICH HAVE DAMAGED INVESTMENT CLIMATE.

5. JAPANESE EMBASSY ESTIMATES THAT TOTAL JAPANESE INVESTMENT IN MALAYSIA IS ABOUT M\$625 MILLION (ABOUT US\$250 MILLION). THIS HAS NOT GROWN SUBSTANTIALLY SINCE SPRING 1975. REASONS FOR SLOWDOWN ARE: RECESSION IN JAPANESE ECONOMY, SOME NERVOUSNESS ABOUT SECURITY SITUATION IN MALAYSIA IN WAKE OF VIETNAM, AND NEGATIVE PERCEPTIONS OF RECENT GOM POLICY MEASURES (PETROLEUM AMENDMENT ACT AND INDUSTRIAL COORDINATION ACT).

DILLON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 21 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KUALA00378
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760023-0421
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760138/aaaabhbtp.tel
Line Count: 83
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 8963, 76 JAKARTA 808
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 26 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 MAY 2004 by greeneet>; APPROVED <27 MAY 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JAPANESE INVESTMENT SURVEY MISSION
TAGS: BEXP, TH, ID, MY, RP
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006